



People Make Morrison's: is that true?

***An analysis of HRM Strategy in terms of
diversity, equity and digitalisation***

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Introduction

This report wants to analyse if the purpose "People Make Morrison's" is really true, in terms of diversity and equity, digitalization and ability to engage the new Z generation.

The reasons why is important considering the employee as a part of the Corporate Responsibility, to invest in money and time and how this Human Capital has improved and will to the Company's reputation, which has already seen an increase in terms of public perception during COVID-19.¹

Founded in 1899 by William Morrison as Bradford Market, *Morrison's* nowadays is the UK's 4th largest supermarket chain. Within 492 stores across the Country, the "farm to fork" supermarket has not just improved its core purpose during COVID-19 emergency, but also its Human Capital: more than 25.000 new employees were recruited, counting totally almost 100.000 keyworkers (food makers, distributors, wholesalers and retailers) instead choosing the furlough strategy.

Team work is one of the main work ways points for the Company:

- 1) Customer First
- 2) Teamwork
- 3) Freedom in the framework
- 4) Listening and responding
- 5) Selling, controlling costs, growing profits and removing waste

This means that people are an important goal for the Corporate Responsibility.

The employees's engagement could be read as an opportunity for the business to grow up, which is ever listening to them in many ways.

Having a look at the last Annual Report and Financial Statement 2019-2020 of *Morrison's*,² it has been explained how the Company's success is constantly depending by recruiting, training and developing the right people and how create long term collaborations means achieve strategic goals to achieve an excellent customer service. The highest percentage of employees (79%) took the opportunity to be a part for the annual survey "Your Say", recording a 77% of Colleague engagement index (76% in 2019).



1. YouGov Report, 2020: <https://yougov.co.uk/topics/consumer/articles-reports/2020/04/01/brands-which-put-staff-and-customers-first-see-pop>

2. *Morrison's* Annual Report 2019-2020: <https://www.morrisons-corporate.com/investor-centre/annual-report/>

Introduction

This survey has been a clear opportunity for the employees to explain what they're asked to achieve in their job and how important they are considering their contribute for the business's growing. The "Your Say" model isn't just s technical research, but it also takes place monthly in the different local stores. These meetings offer the opportunity to discuss face-to-face with local management.

The role Manager, as well, in terms of Human Capital, is an important chain ring in this assembly line: in fact the recent *LEADING AND PURPOSE* programme supports the managers' work in the workplace culture, improving the responsibilities and abilities for to lead the team in solving the everyday business' problems.

In January 2020 the Company confirmed new plans to introduce in every store a new accountability structure, to support more directly the teams. Following the first work way Customer First, and to achieve this goal more efficiently these new plans suggest to create new roles in store, to support consumers in every step and to improve a more clear internal communications and participation in the different initiatives as well.

Treat employees as Human Capital, means respect their skills and abilities, that's why during the years the Company increased the wage from £8.70 to £9.00 per hour and later in April 2020 to £9.20, reducing the weekly contracts hours for the store management, without losing any pay, just to make better the work-life balance.

Diversity & Equity

Nowdays every small or medium company needs to investigate and analyse the different factors which could facilitate or weaken the achievement of the common goals in the different departments. Obviously Human Resource Management must be aware about that since it is a particular side of the general map to achieve a firm's success.

The known PESTLE, which includes some of these factors (as political, economics, social, technological, environmental and legal) helps the companies to look at the themselves by an outside perspective, in a constant way because every decade is bringing new trends, needs and meanings. Needs and trends which are involving the people, who consequently are trying to translate them in everyday life, at work as well.

The not anymore new definitions Business Ethics and Environmental Sustainability take place in the study of the market, helping the companies to understand, evaluate and valorise the new moral challenges and responsibilities needed to be preserved for the future generations.

In terms of Ethic related to Human Rights, Morrison's has been actively engaged with Ethical Trading Initiative, which brings together many companies to promote workers' rights across the globe. More specifically the projects that the company is driving are:

- Good labour practice in Latin American Horticulture
- Emigrants worker in Italy
- Human rights due diligence in Spain
- Accommodation standards in UK agriculture

As Ulrich and Brockbank³ explained, HRM needs to be ready for these topics, becoming a leader for its team in responding and according them in every level of the work frame. This can be read as an opportunity to share the new knowledge between the employees and help them to understand the importance of new values like diversity, in terms of gender, race, ethnicity, age, disabilities, religion and sexual orientation and the possible intersectionalities.

Approaching the Diversity Management means studying and understanding macro-national forces such as anti discrimination and human rights law.⁴



3. Ulrich D, Brockbank W (2005), *Role Call* - People Management

4. Crawshaw J, Budhwar P, Davis A (2020), Human Resource Management: Strategic and International Perspectives, pp 234-240

Diversity & Equity

In terms of Equal Opportunities (EO), it looks like *Morrison's* is going on under both the two approaches of *Human Capital* and *Social Justice*: the first one makes sure that is the resource value of the employee isn't the mirror of the social status, the second one assumes the duty to promote and understand social differences as values to enrich the workplace.⁵

Morrison's confirms the pride of its people diversity as basic value in the Corporate Policy. The Agenda of the Company approach the diversity as skills, abilities and professional experiences developed in different backgrounds which operate collectively reflecting the inclusive business' nature. The claim to promote the diversity as a rich value is demonstrated by the attending in 2019 more Pride events than any previous year.

In 2019, the Office for National Statistics presented the *Ethnicity pay gaps in Great Britain* for the previous year, describing how the factors can affect the pay in different areas, showing London with the largest gap:

Fig. 1: Ethnicity pay gaps in Great Britain - 2018⁶



5. Goss D (1994), *Principles of Human Resources Management*

6. Office for National Statistics, Annual Population Survey - *Ethnicity pay gaps in Great Britain: 2018*

Diversity & Equity

In 2019 *Morrison's* launched the online Diversity Calendar, including the different events of the year, to share awareness about the topic and improve the education to respect each other, the different communities and cultures. Diversity and inclusion groups were created as well, to support the BAME movement and LGBT+. The BAME group includes a specific listening programme to understand how create better opportunities for the minorities.

One of the first steps to promote the equality, looks be transparency as a strategy adopted by the law of many countries. This possible solution should an incentive for the firms to adjust the gender pay gap firstly. Finding out a compensation to this gap, could means give an alternative, or at least try, to reward the HRM on this way.⁷

The British background offers a new paradigm, focuses the reward into the "new pay" model⁸.

From the firm's prospective can be read as a new treatment in terms of monetary rewards, such as salary and benefits, while for the employee it involves many more factors. This theoretical and new bridge between the employers and employees in fact involves not just monetary payments, but also psychological payments to improve the work behaviours, including extrinsic rewards (financial payments and working conditions) and intrinsic rewards (in terms of satisfaction).⁹

Even this has been introduced as a new paradigma, it still depends on the two controversial aspects of the work relationship: Cooperation and Conflict, which follow different objectives in the rewards.

How is *Morrison's* responding to this trend? In the last few years the Company has seen increase from 7% to around 20% women in management. This female increase at senior level has been recognised in 2018 by Hampton Alexander report, which collocates *Morrison's* the fifth best performer in the FTSE 100.¹⁰

7. Martocchio J (2015), *Strategic Compensation: A Human Resource Management Approach*

8. Corby S, White G and Stanworth C (2005), *Evaluating new pay systems*, Human Resource Management Journal

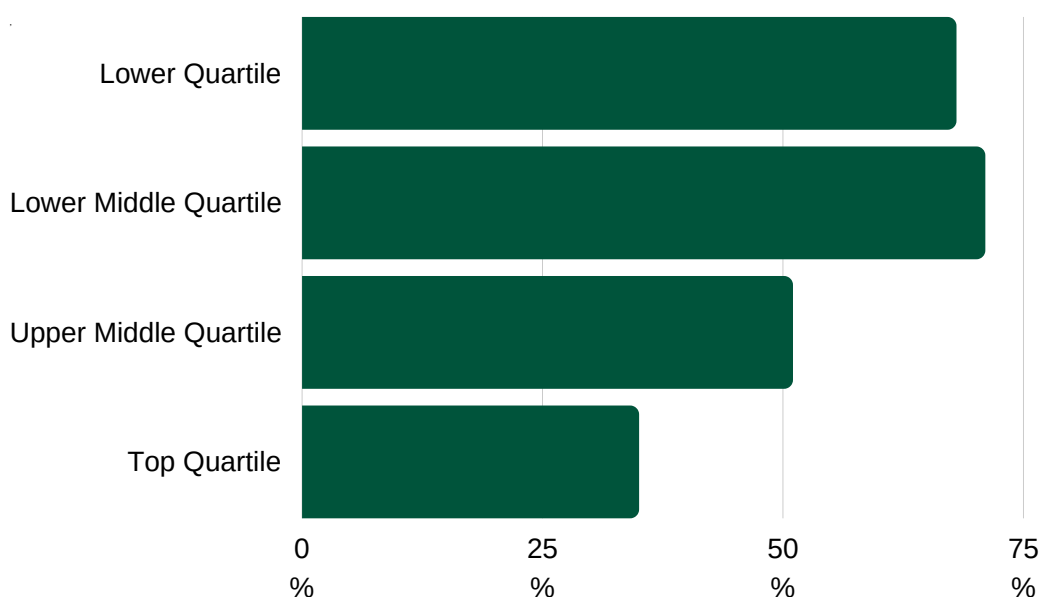
9. Bratton J (2015), *Introduction to Work and Organizational Behaviour*

10. Hampton-Alexander Review FTSE Women Leaders 2018

Diversity & Equity

In 2019 *Morrison's* launched the "Women in Morrison's" programme, a series of events who take place across the country, twice a year. This is the opportunity for more than 500 women in Management, Retail, Manufacturing, Logistics and Hilmore House to share new suggestions and possible needs to achieve their job, in front of a sponsor which include senior leaders. Regarding the Morrison's' Gender pay gap report 2017-2018, it has being showed women's mean hourly rate is 14.5% lower than men's, and women's median hourly rate is 12.2% lower than men's. Also women's mean bonus pay is 51.9% lower than men's, women's median bonus pay is 28.7% lower than men's. The bonus has been received by 86.6% of women and 83.1% of men.

Fig. 2: Proportion of women in each pay quartile¹¹



Digitalisation

HRM becomes Green Human Resource Management in the same time it helps the firm's strategic to achieve the goals on a sustainable way.¹²

Nowdays the literature is still debating which factors could help to planning the strategy for the Environmental Management: some studies talk about employee empowerment, team work.¹³ Others one explain how the additional contribute of recruitment, short-listing, engagement and organisational learning can improve these goals.

This match called Environmental Management (EM), in which many forces from different sides are playing in a cooperative way, recognises the implementation of environmental knowledge as a main player.¹⁴

Anyway sharing this knowledge through learning and developing programmes looks don't be enough without the motivation, considered as preparatory to environmental cooperation. The Green Human Resource Management operate exactly at this point, connecting the green employees, already improved by training and learnings, into new opportunities and challenges to exploit their skills. On this way, looks very interesting how *Morrison's* still continues to offer opportunities to attract the new generations, with priority programmes for friends and families of existing employees. The training and learning's implementation, obviously, comes together with digitalisation, even the firm is investing in manufacturing capability (+9.000 employees).

Digitalising every aspect of the business is the seventh priority for the Company:

- 1) Be more competitive
- 2) Serve customers better
- 3) Find local solutions
- 4) Develop popular and useful services
- 5) To simplify and speed up the organisation
- 6) To make the core supermarkets strong again
- 7) Naturally digital



12. Renwick D W S, Redman T, Maguire S (2013), *Green Human Resource Management: A Review and Research Agenda*

13. O' Donohue W, Torugsa N (2015), *The moderating effect of 'Green' HRM on the association between proactive environmental management and financial performance in small firms*

14. Martínez-Jurado P J, Moyano-Fuentes J, Jérez-Gómez P (2013), *HR Management during learn production adoption*

Digitalisation

Be naturally digital has meant invest in a digital team, not just to simplify customer's experience, but also to facilitate the employees' experience. Digitalisation on that way is even a support for many elements, as fix, grow and sustain. Also the creation of more than 60 Google communities, including women's community, produce and butchery

The main platform for *Morrison's* employees, "MyMorri", has been expanded with an electronic handbook and other functions as resources for wellbeing. Also, "Company-wide effort" initiative describes how is possible make more efficient and light the worker journey during the everyday experience: for example, the option 'Stock and Systems App' which, supported by training, is saving time for the employees to focus on more time into their customers. Be Naturally in *Morrison's* is also meaning break down the barriers with Head Office. Thanks to the new system, every employee can manage own data about payroll and time attendance, swap shifts with other colleagues, giving availability, achieving benefits at every level.

Simplify the everyday employees' life should be considered a main goal designing HRM strategies, considering health and safety as well.¹⁵

Following the concept about Ethic, wellbeing as taking care about staff looks be an important asset, even there is not a massive presence about this topic in the historical experience of HRM. This could depends by the fact that the term wellbeing includes different dimensions, which are not always going to the same way, depending on the background and work place.¹⁶

In the case of operational sector, it should be considered the definition offered by Grant, who considers wellbeing as:

"the overall quality of an employees' experience and functioning at work".¹⁷

Analysing the HR Literature, the most important measures to study and describe wellbeing are indicated by anxiety and mental health.¹⁸

The same platform "My Morri" offers resources to support colleagues' wellbeing, an online hub with a variety of tools from health, physical, social and financial advices updated constantly. It contains also a calendar of wellbeing events running throughout the year relating to menopause, mental health awareness and stay safe at work.

Retail Trust is an additional support available 24-7.



15. Beer M, Spector B, Lawrence P R, Quinn Mills D, Walton R E (1984). *Human resource management*

16. Diener E (1994). *Assessing subjective well-being: Progress and opportunities. Social Indicators Research*

17. Grant A M, Christianson M K, Price R H, (2007) *Happiness, health, or relationships? Managerial practices and employee well-being tradeoffs*

18. Ogbonnaya C, Daniels K, Connolly S, van Veldhoven M (2017). *Inte-grated and isolated impact of high-performance work practices on employee health and well-being: A comparative study*

Digitalisation

The strength of this kind of digitalization could be a useful introduction to attract the Z generation, in terms of talent management, who looks don't need anymore many human intervention.¹⁹

This doesn't mean that the new Generation has not anymore exceptions from the employer. There is actually one more strong and new valuation about the psychological contract from the possible employees. This means that in front of new behaviour, new feeling around a new target, as Z generation, the employer consequently needs to update the expetations, being aware to don't break down the trust's line.²⁰

In terms of better performances and job satisfaction, with the Z generation also the onboarding needs to be more clear and specific, just because this generation likes the personalisation in every kind of experience, not just as customers.²¹

Trying to attract this new target, *Morrison's* expanded the programme "*Morrison's* in schools" cooperating with over 400 schools, following the goal to offer new opportunities and challenges to the new generation, promoting the social mobility: on this way, the company has been placed in the top 30 in the Social Mobility Employer Index.



19. Knowles-Cutler A, Lewis H 92016) *Essential skills for humans working in the machine age*

20. Maurer R (2016) *What HR should know about Generation Z*, Society for Human Resource Management

21. Deloitte Insights Report (2017), *Generation Z enters the workforceGenerational and technological challenges in entry-level jobs*

Conclusion & Comments

At the moment *Morrison's*' HRM Strategies look in line with the recent queries about diversity and equity theories, even if the Company came late to understand how it needs to be aware for every single aspect that could improve the corporate reputation.

Morrison's has been the latest supermarket in UK to achieve an equal gender pay, above all for shop floor workers: as reported by the main newspapers of the Country during the years, around 80.000 employees have been underpaid and they could claim 1 billion pounds in compensation. Obviously should be considerate others aspect and analyse every single possible injustice which took place: the main thing is that just talking about a company in these terms and with this tone of voice, means aim to make weak the company's reputation. In the exact moment in which thousands of employees or ex-employees are asking attention and respect from their employer it's a sign that the same employer hasn't been able to understand their needs, their background and the resource which could help during the work shift.

One of the Company's strengths could be the focus on the wellbeing about its people, especially on the topic around mental health. This kind of support looks consolidated, even before than Covid-19 came. The pandemic is already creating new challenge for every company in goods and services. New measures about social distance and safety for key workers and employers. In the same time needs to pay attention to the cost that workers are paying during this critical era. A cost in terms of stress, depression and others disorders that can afflict the work's performance. The *Morrison's* strategy to upload into an App constant updates for different topics always about health, could be the good way to monitor worker's fear about the unknown, that doesn't include just the risk of contagion, but also uncertainty and possible increase of conflicts.

Talking about possible weaknesses, Be Naturally Digital should improve the Company's skills to manage the talent acquisition for the Z Generation. The programmes that *Morrison's* is already driving don't look to attract any kind of digital contests, but just a traditional promotion of the workplace. Reconsidering these aspects means make more accessible the entry level, for example, asking for different skills from the traditional ones: multidisciplinary is the keyword, because the Z Generation isn't focused just on main duties, but crossing over different aspect is a driver for its job identity. On this way, the job identification for this Generation is very close to the personal identity, so personalisation is the second keyword. Having a personalised experienced at work for this target means waiting for a personal treatment, looking a really interesting opportunity for the Company to know better its people and a more specific rating to evaluate the satisfaction's level.

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